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S E C R E T TOKYO 003671

FOR ADMIRAL ROUGHHEAD FROM CDA DONOVAN

E.O. 12958: DECL: 06/30/2016

TAGS: MARR OVIP PREL JA

SUBJECT: SCENESETTER FOR YOUR JULY 2-8 VISIT TO JAPAN

Classified By: Charge Joe Donovan, reasons 1.4 (b,d).

¶1. (C) SUMMARY: You arrive in Japan just as President Bush and Prime Minister Koizumi herald the deepening, expanding scope of our bilateral security alliance. Our close coordination against the current North Korean missile threat, as well as recent strides in BMD cooperation, have illustrated this change clearly to the Japanese. As implementation of the Alliance Transformation and Realignment Agreement (ATARA) continues, we need to press Japan to meet its funding commitments, but not at the expense of Alliance cooperation or other defense programs. Kitty Hawk replacement is well on track, and a robust program of Navy port visits, notably the upcoming carrier visit to Otaru, are helping highlight the alliance in areas without U.S. bases. We expect the trend of growing security cooperation with Japan to continue, even after Koizumi and his team step down in September. END SUMMARY
BMD cooperation

¶2. (C) BMD cooperation is providing a powerful illustration
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of the "alliance for a new century" heralded this week by President Bush and Prime Minister Koizumi. The closeness of bilateral coordination in the face of a possible North Korean missile launch -- at the policy and military operational level -- has been gratifying to senior GOJ officials, many of whom remember the confusion following the 1998 flight of a Taepondong-1 over Japan.

¶3. (S) Side-by-side operations by Navy and JMSDF Aegis ships in the Sea of Japan, along with the recent successful SM-3 test by Yokosuka-bound USS Shiloh have provided further confirmation to the Japanese that BMD is important to their security. On June 23, the Ambassador and Foreign Minister Aso formally exchanged notes to enable co-development of a new SM-3 missile. The forward-deployed X-Band radar is now in place at the JASDF Shariki base in Northern Japan, and went operational on June 26. We also formally notified the Japanese government this week about plans to deploy PAC-3s to Kadena (a story which has already made it into the press, although there has been no official public announcement).

¶4. (C) Japan's commitment to developing a joint BMD system is real. They have passed legislation to devolve launch authority, protected BMD projects within the JDA budget, and loosened long-standing restrictions on the export of military equipment to enable BMD development with the U.S. We expect BMD to help drive growing integration of command-and-control of U.S. and Japanese forces, and inject realism into Japanese thinking on thorny issues like collective defense.

Alliance Transformation & Realignment

15. (C) Internal GOJ wrangling continues over how Japan will cover the costs of the Alliance Transformation and Realignment Agreement (ATARA), in particular the move of Marines to Guam. The Ministry of Finance and elements of the ruling Liberal Democratic Party (LDP) are pushing to offset part of the costs by cutting into the Japan Defense Agency (JDA) budget. JDA and MOFA want the money to come from cabinet discretionary funds, as was done for the 1996 SACO Agreement. The USG position is that the GOJ needs to fund what it agreed to under ATARA, but it is counter-productive to do so out of JDA's budget, as it risks cannibalizing other areas of alliance cooperation, including Host Nation Support. It would be helpful if you could make this point in your meetings with GOJ counterparts.

16. (SBU) The realignments agreed to in ATARA remain politically controversial at the local level, especially in
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Okinawa. The Iwakuni Mayor remains against the relocation of the forward deployed carrier air wing from Atsugi to Iwakuni, but the leadership of neighboring towns and the city's chamber of commerce do not share his view.

17. (S) Discussion on bilateral "Roles, missions and capabilities" is progressing, and recently produced agreement to undertake joint site surveys of Japanese ports and airports that could be needed in a NEO contingency.

Kitty Hawk replacement

18. (C) On June 12, Yokosuka Mayor Kabaya declared that USS Kitty Hawk's replacement by a nuclear-powered carrier (CVN) is "inevitable," dropping his previous public opposition. He has confided to MOFA that this means he will approve the GOJ-funded harbor dredging survey, after the project is submitted for his approval around July 18. Kabaya's shift has been greeted with more of a shrug than upset by local citizens. Country Team is consulting with MOFA on the timing and modalities for talks on credible emergency drill scenarios and a Navy-city disaster-response mutual aid agreement. We expect actual talks to begin sometime this fall.

SDF deployments to Iraq, Indian Ocean

19. (C) While GSDF forces are withdrawing from Iraq, the JASDF mission has expanded slightly to provide airlift support to coalition forces and UN personnel. JMSDF fueling support in the Indian Ocean continues, with the current six-month extension of the authorizing legislation due to expire November 1. JDA and MOFA officials expect the next Prime Minister to authorize a further extension. Your reiteration to Japanese counterparts of how valuable these SDF deployments have been for our common interests would be most helpful.

Assault on sailors in Fukuoka

110. (SBU) National media focus has moved beyond the tragic murder of a Yokosuka resident by a Kitty Hawk sailor in January. The press has largely ignored, however, the severe beating of three USS Guardian sailors June 24 in Fukuoka. The Embassy and Consulate Fukuoka have pressed the GOJ and local police to ensure a thorough investigation.

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JDA to a Ministry

111. (C) The Japanese Cabinet approved draft legislation this month to upgrade the Japan Defense Agency (JDA) to a Ministry, but the Diet has postponed discussion on the bill until the fall. An upgrade would increase JDA's clout in the Cabinet, and enable them to propose legislation without it having to be first vetted by the Cabinet Office. Whether this would help JDA expand its budget is unclear. Adoption of the upgrade bill could hinge on the enthusiasm of the Komeito party, junior coalition partner to Koizumi's Liberal Democratic Party. Komeito's current leadership, which supports the bill, will be replaced in September.

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